

July 16, 2002

DFAS-DFC

MEMORANDUM FOR DISTRIBUTION LIST

SUBJECT: Federal Long Term Care Insurance Program

The Office of Personnel Management (OPM) has selected the Metropolitan Life Insurance Company and John Hancock Life Insurance Company as the insurers for the Federal Long Term Care Insurance Program (FLTCIP). Together these two insurance companies formed a partnership called Long Term Care (LTC) Partners, LLC. This program will be administered differently than any other Federal benefits program in that employees will contact LTC Partners directly to discuss the new program and be provided assistance in understanding the details of FLTCIP coverage. Certified long term care insurance specialists will be available to assist employees with their questions regarding the program by calling 1-800-LTC-FEDS (1-800-382-3337) (TDD for the hearing impaired: 1-800-843-3557). Employees outside of the U.S. who have difficulty dialing the 800 number are provided additional information at OPM's website at [www.opm.gov/insure/ltc/faq/open\\_season.htm](http://www.opm.gov/insure/ltc/faq/open_season.htm). Application to enroll in the LTC program will be made during an open season beginning on July 1 and ending on December 31, 2002. Open Season kits can be obtained by calling the numbers above for LTC Partners or visiting their website at [www.ltcfeds.com](http://www.ltcfeds.com).

Employees will apply directly to LTC Partners for FLTCIP coverage and LTC Partners will determine if an individual is insurable and can obtain coverage. The application must include the payroll office identifier, which indicates the servicing payroll office for the employee. This information may be found in the REMARKS section of the Defense Civilian Pay System (DCPS) Leave and Earnings Statement (LES). All employees, including those of the Armed Forces Retirement Home and the agencies that make up the Executive Office of the President, should use the LES as the source of the information when completing the application for FLTCIP coverage.

A Payroll/Annuity Deduction Instruction Guide will be made available to employees from LTC Partners with information

pertaining to the withholding of premiums. Employees will be given three billing options in their application for coverage: automatic bank withdrawal, direct billing, and payroll deduction.

The payroll system will accept a biweekly billing file from LTC Partners to initiate the collection of premiums for authorized FLTCIP coverage as well as to change the amount of coverage or cancel premiums. Payroll deductions for LTC premiums will first be made for the pay period ending October 19, 2002. After this date, deductions will begin upon receipt of a billing file from LTC Partners of approved applications. Deductions for FLTCIP coverage will be made from basic pay entitlements only. This means that premiums will not be withheld from allowances, awards, or severance pay. An employee may elect coverage for self, spouse, and any eligible dependent(s) through payroll withholding. The DCPS LES will reflect this in two separate deduction fields: a field to indicate an amount for the employee or spouse; and one for any dependents.

All requests to change premium amounts must be submitted through LTC Partners. In cases where a deduction is erroneously withheld from pay, a credit of the premium must be obtained from LTC Partners. Payroll office personnel will make no premium adjustments for any reason and cash payments will not be accepted by the payroll office for missed deductions. If a payroll deduction is missed due to a brief period of leave without pay or insufficient pay, LTC Partners will automatically bill employees directly for the amount due. Payroll deductions will resume when pay begins again or becomes sufficient. If, however, three consecutive deductions are missed, LTC Partners will automatically change the billing to direct billing and discontinue the payroll deductions with no lapse in coverage. All inquiries pertaining to the withholding of premiums should be directed to LTC Partners.

You are requested to provide the widest possible dissemination of this memorandum. We will also be providing a copy to each of your Customer Service Representatives. Please refer any questions you may have on this matter to DFAS-DFC at (703) 607-5022.

/s/  
Director for Finance